

FULBRIGHT & JAWORSKI
1150 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20036
TELEPHONE (202) 452-6800
TELEX 89-2602

RECORDATION NO. 11224
DEC 21 1979 - 9 15 AM
INTERSTATE COMMERCE COMMISSION

BANK OF THE SOUTHWEST BUILDING
HOUSTON, TEXAS 77002
TELEPHONE (713) 651-5151
CABLE FULBRIGHT HOUSTON
TELEX 76-2829

AMERICAN BANK TOWER, SUITE 1740
221 WEST SIXTH STREET
AUSTIN, TEXAS 78701
TELEPHONE (512) 474-5201

52 LINCOLN'S INN FIELDS
LONDON, WC2A 3LZ
TELEPHONE (01) 405-3208
TELEX 22-738

December 21, 1979

Interstate Commerce Commission
Recordation Unit
Room 2303
Constitution Avenue and 12th Street, N.W.
Washington, D.C. 20423

RECORDATION NO. 11224-A
DEC 21 1979 - 9 15 AM
INTERSTATE COMMERCE COMMISSION

Re: Term Loan Agreement

Dear Sir:

Please find enclosed nine sets of the following documents
to be filed with the Interstate Commerce Commission:

- i) Chattel Mortgage (Railroad
Car Security Agreement)
- ii) Assignment of Leases
- iii) Assignment of Purchase Contracts

RECORDATION NO. 11224-B
DEC 21 1979 - 9 15 AM
INTERSTATE COMMERCE COMMISSION

These documents are being filed in connection with the
Term Loan Agreement between Delgray Leasing and Continental
Illinois National Bank and Trust Company of Chicago.

We appreciate your assistance in this matter.

Sincerely,

Arthur H. Rogers (mws)
Arthur H. Rogers

Enclosures - 27

Steve Stuchel
C. J. Newport

11224-6
RECORDATION NO. Filed 1425

DEC 21 1979 -9 15 AM

INTERSTATE COMMERCE COMMISSION

9-355A020

DEC 21 1979

Date

Fee \$ 50.00

ICC Washington, D. C.

Assignment of Purchase Contracts

This is an agreement, dated as of December 21, 1979, between DELGRAY LEASING, a Texas limited partnership (herein called the Owner), and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association (herein called the Bank).

WHEREAS, the Owner, subject to the satisfaction of certain conditions precedent, has been or will be granted term loans (herein called the Loans) in the aggregate principal amount of \$2,815,000 pursuant to the Term Loan Agreement dated December 26, 1979 (herein, as amended or otherwise modified from time to time, called the Loan Agreement) between the Owner and the Bank, to be evidenced by the promissory note of the Owner (herein called the Note) payable to the order of the Bank;

WHEREAS, a certain condition precedent to the granting of such credit by the Bank to the Owner is the assignment of rights hereinafter provided;

Now therefore, in consideration of such financing and the mutual promises herein contained, the parties hereto agree as follows:

1. Definitions. Terms defined in the Loan Agreement shall have the same meanings when used herein unless otherwise provided. The Owner is sometimes herein called the Assignor.

2. Assignment of Rights. In order to secure the payment of the Liabilities, the Owner hereby assigns to the Bank, and grants to the Bank a continuing security interest in, the following, whether now or hereafter existing or acquired (herein sometimes called the Rights or the Collateral): all rights of any nature whatsoever (including all contractual rights) of the Owner now or hereafter arising in any manner pursuant to the Purchase Contracts dated December 16, 1977, November 30, 1978, December 28, 1978, January 31, 1979, March 1, 1979 and September 14, 1979 between Glenco Transportation Services, Inc. (herein called Glenco) as agent for the Owner, and Richmond Tank Car Company (herein called Richmond), as amended or supplemented from time to time, (herein called the Purchase Contracts), including, without limitation, the rights to receive and require delivery of the railroad cars provided to be sold thereunder (which are listed in Schedule I hereto), and all proceeds of all of such rights, including, without limitation, such railroad cars.

3. Exercise of Rights. Upon the occurrence of an Event of Default, or an Unmatured Event of Default arising pursuant to Section 10.1.3 of the Loan Agreement, and so long as any thereof shall be outstanding the Bank shall have the following rights:

3.1 The Bank may direct the Assignor in its exercise of any of the Rights or may exercise such Rights on the Bank's own behalf.

3.2 The Assignor, upon 20 days' written notice from the Bank, hereby agrees forthwith to give written notice to all or any parties to the Purchase Contracts of the Bank's decision to exercise such Rights on its own behalf and that such parties should grant all rights they would otherwise accord to the Assignor to the Bank, and to make payments otherwise due to the Assignor directly to the Bank.

3.3 The Bank may give all or any parties to the Purchase Contracts notice that the Bank has been given the right to exercise all of the Assignor's Rights and that all payments otherwise due the Assignor should be paid directly to the Bank.

3.4 The Bank may exercise from time to time all or any combination of the rights granted to it pursuant to this Section 3 separately, together or in any combination. Any notice from the Bank to the Assignor or any party acknowledging the terms of this Agreement below (herein called an Acknowledgor), if mailed, shall be deemed given three days after the date when sent by registered or certified mail, postage prepaid, addressed to such Assignor or Acknowledgor, as the case may be, either at such Assignor's or Acknowledgor's address, as the case may be, shown below, or at any other address of such party appearing on the records of the Bank and if sent by telex or telegraph, shall be deemed given when sent addressed as provided above.

4. Custody and Use of Proceeds.

4.1 If the Assignor receives any of the proceeds (whether in violation or in accordance with the terms of Section 3 hereof) which should be delivered to the Bank pursuant hereto, the Assignor shall forthwith pay them over to the Bank and, pending such payment, shall hold them, in the form received, segregated from its other property, in trust for the Bank, and such Assignor shall clearly mark its records and such proceeds to indicate such status.

4.2 All cash proceeds received by the Bank pursuant hereto shall first be applied to all expenses incurred by the Bank in enforcing its rights acquired hereunder (including, without limitation, all reasonable attorneys' fees) and then

in payment of the Liabilities in such order as the Bank shall choose in its absolute discretion. The Bank is authorized to endorse, in the name of the Assignor, any item, however received by the Bank pursuant hereto, representing any payment or other proceeds of any of the Rights.

5. Warranties. The Assignor warrants that: (a) no financing statement or other document (other than any which may have been filed on behalf of the Bank) covering any of the Rights is on file in any public office; the Assignor is and will be the lawful owner of all the Rights, free of all liens and claims whatsoever, other than the security interest hereunder, with full power and authority to execute this Agreement and perform its obligations hereunder, and to subject the Rights to the security interest hereunder; and all information with respect to Rights set forth in any schedule, certificate or other writing at any time heretofore or hereafter furnished by such Assignor to the Bank, and all other written information heretofore or hereafter furnished by such Assignor to the Bank, is and will be true and correct as of the date furnished; and (b) the Assignor has obtained the written consent of Richmond for the assignment of rights under the Purchase Contracts.

6. Further Agreements of Assignors. The Assignor (a) will, upon request of the Bank, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices deemed necessary by the Bank) and do such other acts and things, all as the Bank may from time to time request to establish and maintain a valid security interest in the Rights (free of all other liens, claims and rights of third parties whatsoever) to secure the payment of the Liabilities; (b) will keep, at its address shown below, its records concerning the Rights, which records will be of such character as will enable the Bank or its designees to determine at any time the status of the Rights, and the Assignor will not, unless the Bank shall otherwise consent in writing, duplicate any such records at any other address; (c) will furnish the Bank any information concerning the Assignor and the Collateral as the Bank may from time to time reasonably request; (d) will permit the Bank and its designees, from time to time, to inspect, audit and make copies of and extracts from all records and all other papers in the possession of the Assignor pertaining to the Rights and the obligors pursuant to the Purchase Contracts, and will, upon request of the Bank, deliver to the Bank all such records and papers; (e) will, upon request of the Bank, stamp on its records concerning the Rights, a notation, in form satisfactory to the Bank, of the security interest of the Bank hereunder; (f) will not sell, assign or create or permit to exist any lien on or security interest in the Collateral to or in favor of anyone other than the Bank;

and (g) will reimburse the Bank for all expenses, including reasonable attorneys' fees and legal expenses, incurred by the Bank in seeking to collect or enforce any of the Rights.

7. Exculpatory Provisions and Permissible Activities.

7.1 The Bank shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if it takes such action for that purpose as the Assignor shall request in writing, but failure of the Bank to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of the Bank to preserve or protect any rights with respect to such Collateral in its possession against prior parties, or to do any act with respect to preservation of such Collateral not so requested by the Assignor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

7.2 No right granted to the Bank pursuant hereto shall in any way create an obligation to exercise any such right or create any other obligations of any kind on the part of the Bank to any person or entity, including, without limitation, the undersigned Assignor or Acknowledgor.

7.3 All obligations of the Assignor, and all rights, powers and remedies of the Bank, expressed herein shall be in addition to, and not in limitation of, those provided by law or in any written agreement or instrument relating to any of the Liabilities or any security therefor. In addition to all other rights possessed by the Bank, after the occurrence of an Event of Default, or any Unmatured Event of Default arising pursuant to Section 10.1.3 of the Loan Agreement, and so long as any thereof shall remain continuing (or, in the case of clause (d) following, whether or not any such Event, or Unmatured Event of Default arising pursuant to Section 10.1.3 of the Loan Agreement, shall have occurred and remained continuing), the Bank may from time to time, at its sole discretion to the fullest extent permitted by law and without notice (except to the extent specifically provided below), advertisement, hearing or process of law of any kind, take any or all of the following actions: (a) after notice to the Assignor, transfer all or any part of the Collateral in the Bank's possession into the name of the Bank or its nominee, with or without disclosing that such Collateral is subject to the lien and security interest hereunder; (b) enforce collection of any of the Collateral by suit or otherwise, or surrender, release or exchange all or any part thereof; (c) take control of any proceeds of any of the Collateral; (d) extend or renew for one or more periods any obligation of any nature of any obligor with respect to any of the Collateral, and grant any releases, compromises or indulgences with respect to any of the Liabilities, any

Collateral, or any other security for or guaranty of any of the Liabilities; (e) appropriate and apply toward the payment of such of the Liabilities, and in such order of application, as the Bank may from time to time elect, any and all balances, credits, deposits, accounts or moneys of or in the name of the Assignor then or thereafter with the Bank; (f) exercise from time to time any rights and remedies available to it under the Uniform Commercial Code as in effect from time to time in Illinois or otherwise available to it; (g) after notice to the Assignor sell any or all of the Rights, free of all rights and claims of the Assignor therein and thereto, at any public or private sale or brokers' board; and (h) bid for and purchase any or all of the Rights at any such sale or brokers' board. If any notification of intended disposition of any of the Collateral is required by law or pursuant to clause (a) or (g) of this Section 7.3, such notification, if mailed, shall be deemed reasonably and properly given if mailed at least 20 days before such disposition, postage prepaid, addressed to the Assignor at the address shown below. No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

8. Counterparts. This Agreement may be executed in separate counterparts, each of which shall constitute an original but all of which shall constitute one and the same agreement.

9. General. This Agreement has been delivered at Chicago, Illinois, and shall be construed in accordance with and governed by the internal laws of the State of Illinois. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

This Agreement shall be binding upon the Bank and the Assignor and the successors and assigns of the Bank and the Assignor. Assignor may not assign any rights or obligations

granted hereunder but the rights and privileges of the Bank hereunder shall inure to the benefit of its successors and assigns.

DELGRAY LEASING
By NIRVANA UNLIMITED, INC.
General Partner

By Gary R. Foster
Title: Vice President

4615 Post Oak Place
Houston, Texas 77027

ATTEST:

Melvin E. Parker
Secretary

(Corporate Seal)

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

By: James H. Davis
Vice President

231 South LaSalle Street
Chicago, Illinois 60693

ATTEST:

M. J. Bond
Operations Officer

(Corporate Seal)

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 19th day of December, 1979, before me personally appeared Gary L. Forbes and Melvin K. Parkey to me personally known, who being by me duly sworn, say that they are, respectively, the Vice President and Secretary of GLENCO TRANSPORTATION SERVICES, INC., a Texas corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jehovah A. Zimny
Notary Public

My Commission expires 2-13-83

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)


On this 19th day of December, 1979, before me personally appeared Gary L. Forbes and Melvin K. Pankey, to me personally known, who being by me duly sworn, say that they are, respectively, the Vice President and Secretary of NIRVANA UNLIMITED, INC., a Delaware corporation which is general partner of DELGRAY LEASING, a Texas limited partnership, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation acting as such general partner by authority of its Board of Directors; and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation acting as such general partner.

Deborah A. Zimny
Notary Public

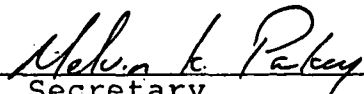
My Commission expires 2-13-83.

In consideration of the financing referred to in the preamble hereto, in order to induce the Bank to provide such financing, by signing below, the undersigned acknowledges and consents to the above assignment of the Rights and hereby agrees to be bound by its terms, including, but not limited to, the right of the Bank to foreclose on and sell any and all of the Collateral assigned thereunder to any party the Bank chooses so long as an Event of Default, or any Unmatured Event of Default arising pursuant to Section 10.1.3 of the Loan Agreement, shall have occurred and remained continuing.

GLENCO TRANSPORTATION SERVICES,
INC.

By: 
Title: Vice President

Attest:


Secretary
(Corporate Seal)

STATE OF ILLINOIS)
)
COUNTY OF C O O K)

On this 19th day of December, 1979, before me personally appeared James H. Davis and William J. Bond to me personally known, who being by me duly sworn, say that they are, respectively, the Vice President and the Operations Officer of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Deborah A. Zimny
Notary Public

My Commission expires 2-13-83

SCHEDULE I

Description of Railroad Cars

<u>Type</u>	<u>Quantity</u>	<u>Identifying mark and numbers</u>
34,000 Gallon DOT 105A300W Non-Coiled and Insulated Tank Car	17	GLNX 34117 to GLNX 34133
23,500 Gallon DOT 111A100W3 Exterior Coiled and Insulated Tank Car	22	GLNX 23118 to GLNX 23139
23,500 Gallon DOT 111A100W3 Exterior Coiled and Insulated Tank Car	8	GLNX 23142 to GLNX 23149
4,750 Cubic Foot Capacity Covered Hopper Car	5	GLNX 405 to GLNX 409